

Message Text

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ACTION OPIC-06

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 GSA-01 INT-05 /058 W

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FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 7422

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E.O. 11652: N/A

TAGS: EMIN, EINV, BL

SUBJ: MATILDE MINE ZINC RESERVE

REF: STATE 170438

PASS TO OPIC

1. IN DOCUMENTATION SUBMITTED BY COMIBOL TO BANK OF AMERICA COMIBOL STATES 1974 PRODUCTION IS IN FINE METRIC TONS 25,246 ZINC; 2,375 LEAD; 92 COPPER; 63 CANDMIUM; AND 2.399 SILVER. ABOVE PRODUCTION RESULTED FROM CONCENTRATING 259,759 METRIC TONS CONTAINING 10.3 PERCENT ZINC, 1.04 PERCENT LEAD AND 0.17 PERCENT COPPER WITH ZINC RECOVERY AT CONCENTRATION PLANT ABOUT 94 PERCENT. DECREASE IN PRODUCTION ATTRIBUTED TO (1) GRADUAL DECREASE OF ZINC GRADE; (2) INSTABILITY OF FOOT AND HANGING WALLS OF VEINS DUE TO HEAVY FRACTURING OF SURROUNDING ROCK, AND (3) CAVING AND RESULTING INACCESSIBILITY VARIOUS STOPE. (COMMENT: MINATT ATTRIBUTES DECREASED PRODUCTION MAINLY TO LACK OF TIMELY DEVELOPMENT OF DEEPER PORTIONS OF MINE TO OPEN UP MORE WORKING PLACES.)

2. COMIBOL CLAIMS MEASURED AND INDICATED RESERVES ON DECEMBER 31, 1974 AT 1,359,987 METRIC TONS CONTAINING 13.24 PERCENT ZINC AND 1.3 PERCENT LEAD. IN ADDITION, COMIBOL

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STATES MEASURED LOW GRADE RESERVES AMOUNT TO 280,674

METRIC TONS CONTAINING 6.25 PERCENT ZINC AND 1.52 PERCENT LEAD. TOTAL MEASURED RESERVES THEN ARE 1,640,661 METRIC TONS CONTAINING 12.04 PERCENT ZINC AND 1.34 PERCENT LEAD. WITH CONCENTRATING PLANT ZINC RECOVERY AT ABOUT 94 PERCENT, TOTAL RECOVERABLE FINE ZINC IS ESTIMATED TO BE ABOUT 185,000 METRIC TONS.

3. INFERRED RESERVES ARE ESTIMATED BY COMIBOL TO BE 789.502 METRIC TONS MAINLY BELOW PRESENT MAIN HAULAGE LEVEL (325 METERS BELOW MOUNTAIN TOP) AND ARE ESTIMATED TO CONTAIN 10.8 PERCENT ZINC AND 0.98 PERCENT LEAD. IN 1974 CUT-OFF GRADE (MINIMUM ECONOMIC) ESTABLISHED AT 10.48 PERCENT ZINC, 1.39 PERCENT LEAD.

4. COMMENT: COMIBOL DOES NOT INDICATE AVERAGE VEIN WIDTHS AND AVERAGE PERCENT ZINC GRADE AT VARIOUS LEVELS, THUS MAKING IT IMPOSSIBLE FOR MINATT TO ESTIMATE TONNAGES AND GRADES. IF COMIBOL'S ESTIMATES CORRECT FOR MEASURED AND INDICATED RESERVES, THESE RESERVES SUFFICIENT FOR SIX YEARS OPERATIONS AT YEARLY PRODUCTION RATE OF 30,000 METRIC TONS FINE ZINC. BECAUSE OF WEAK VEIN WALLS, THERE IS POSSIBILITY OF SIGNIFICANT DILUTION OF ORE GRADE SUCH AS APPARENTLY OCCURRED IN 1974, I.E. RESERVE GRADE 12.04 PERCENT ZINC BUT PRODUCTION GRADE 10.30 PERCENT ZINC. MINATT DOES NOT PRECLUDE POSSIBILITY OF FURTHER CAVING AND CONSEQUENT LOSS OF SMALLER BLOCK RESERVES IN UPPER LEVELS BUT BELIEVES COMIBOL'S RESERVE ESTIMATES BASICALLY TRUE. IN REGARD TO INFERRED RESERVES, COMIBOL MOST LIKELY ASSIGNED AVERAGE ZINC GRADE FOUND AT 325 LEVEL TO INFERRED RESERVES BELOW THAT LEVEL. COMIBOL ACKNOWLEDGES REDUCTION OF VEIN WIDTHS AND ZINC GRADE BUT DOES NOT STATE WHETHER THIS OCCURS AT ADVANCING DEPTH. IF COMIBOL ESTIMATES ON INFERRED RESERVES ACCURATE, IT WILL TAKE ABOUT AN EXTRA THREE YEARS TO MINE THESE AT 30,000 METRIC TONS FINE ZINC YEARLY PRODUCTION RATE. COMIBOL PRESENTLY DEEPENING FULLERMO SHAFT TO 75 METERS BELOW PRESENT 325 METER OR DEEPEST LEVEL. AT THIS DEPTH COMIBOL PLANNING TO DRIVE DEVELOPMENT DRIFT 545 METERS LONG TO DEVELOP AND PROVE MOST INFERRED RESERVES. IF SUCCESSFUL IN FINDING ORE ALONG 545 METER LENGTH, INDICATED RESERVES WOULD REPLACE MOST OF PRESENT INFERRED RESERVES AND WOULD BOOST INDICATED LIMITED OFFICIAL USE

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TONNAGE ABOUT 1.5 MILLION TONS.

5. COPY OF DOCUMENTATION FROM COMIBOL TO BA BEING POUCHED TO OPIC.

6. BA NOT WORRIED ABOUT RESERVE PICTURE SINCE COMIBOL AND CENTRAL BANK COMMITTED TO PAY MATILDE'S DEBT WHETHER MATILDE RUNS OUT OF ORE OR NOT.

STEDMAN

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Message Attributes

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